

IOWA **Department of REVENUE**

Dependent Health Care Coverage in Iowa: Tracking Coverage Through Tax Year 2008 Returns

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Executive Summary

Report Requirements

2008 Iowa Acts, House File 2539, section 4 requires the Iowa Department of Revenue (IDR) to report the following annually to the Governor and the General Assembly:

- The number of Iowa families, by income level, claiming the state income tax exemption for dependent children.
- The number of Iowa families, by income level, claiming the state income tax exemption for dependent children, who also indicate the presence or absence of health care coverage for the dependent children.
- The effect of the reporting requirements and provision of information requirements under this section on the number and percentage of children in the state who are uninsured.

Table A, at the end of this summary, presents taxpayer return information gathered in response to 2008 House File 2539 by income level. The key results of the report are the following:

Families Claiming Dependent Exemptions by Income Level

- Of the 1.3 million individual income tax returns filed by resident taxpayers, **450,861 (35%) claimed at least one State income tax exemption for a dependent**. Of those families claiming at least one State income tax exemption for a dependent:
 - 77,200 (**17.1%**) reported gross **income of \$20,000 or less**
 - 272,860 (**60.5%**) reported gross **income between \$20,001 to \$90,000**
 - 100,801 (**22.4%**) reported gross **income of \$90,001 and over**

Response Rates

- Of the 450,861 taxpayers claiming at least one State income tax exemption for a dependent:
 - **282,598 (62.7%) families reported the presence of health care coverage** for one or more dependents.
 - **61,752 (13.7%) families reported the absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
 - **114,190 (25.3%) families did not respond**.

Health Care Coverage for Low Income Families

- Of the 77,200 taxpayers with dependents reporting gross income of \$20,000 or less:
 - 40,985 (**53.1%**) reported the **presence of health care coverage** for one or more dependents.
 - 21,235 (**27.5%**) reported the **absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
 - 16,645 (**21.6%**) **did not respond**.

Health Care Coverage for Middle Income Families

- Of the 272,860 taxpayers with dependents reporting gross income between \$20,001 and \$90,000:
 - 173,907 (**63.7%**) reported the **presence of health care coverage** for one or more dependents.
 - 35,829 (**13.1%**) reported the **absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
 - 67,807 (**24.9%**) **did not respond**.

Health Care Coverage for High Income Families

- Of the 100,801 taxpayers with dependents reporting gross income of \$90,001 and over:
 - 67,706 (**67.2%**) reported the **presence of health care coverage** for one or more dependents.
 - 4,688 (**4.7%**) reported the **absence of health care coverage** for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns.
 - 29,738 (**29.5%**) **did not respond**.

Coverage Status by Filing Method

- Of the **72,953** taxpayers filing paper returns:
 - 46,499 (**63.7%**) reported the **presence of health care coverage**
 - 5,077 (**7.0%**) reported the **absence of health care coverage**
 - 22,797 (**31.2%**) **did not respond**
- Of the **377,908** taxpayers filing electronic returns:
 - 236,099 (**62.5%**) reported the **presence of health care coverage**
 - 56,675 (**15.0%**) reported the **absence of health care coverage**
 - 91,393 (**24.2%**) **did not respond**

New Coverage

- DHS has received 475 applications for **hawk-i** that can be attributed to the IDR mailing. Of those applications:
 - 140 applications were approved for **hawk-i**,
 - 191 were referred to Medicaid (includes those already on Medicaid),
 - 1 is pending, and
 - 143 were denied.
- As a result of the mailing, 471 previously uncovered children now have health care coverage. Of those 471 children:
 - 239 children were approved for the **hawk-i** program, and
 - 232 children were approved for Medicaid coverage.
- This increase in covered children reduces the estimated uninsured rate for children in Iowa from 5.2% to 5.1%.

Administrative Costs

- DHS reports that their regular outreach cost per new enrollee for FY 2009 was \$51.17 per person compared to \$83.16 for the tax return project, not including staff time.

Table A: Dependent Health Care Coverage Reporting on Iowa Returns through Final Review, Tax Year 2008

<i>Resident Filers</i>							
Gross Income	Total Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	77,200	40,985	53.1%	21,235	27.5%	16,645	21.6%
\$20,001 to 30,000	51,625	29,024	56.2%	11,604	22.5%	12,147	23.5%
\$30,001 to 40,000	45,296	27,229	60.1%	7,669	16.9%	11,323	25.0%
\$40,001 to 50,000	39,957	25,485	63.8%	5,219	13.1%	9,992	25.0%
\$50,001 to 60,000	38,733	25,479	65.8%	4,058	10.5%	9,792	25.3%
\$60,001 to 70,000	36,835	24,851	67.5%	3,141	8.5%	9,305	25.3%
\$70,001 to 80,000	32,590	22,366	68.6%	2,350	7.2%	8,287	25.4%
\$80,001 to 90,000	27,824	19,473	70.0%	1,788	6.4%	6,961	25.0%
\$90,001 to 100,000	22,151	15,444	69.7%	1,280	5.8%	5,719	25.8%
\$100,001 to 125,000	34,550	24,359	70.5%	1,743	5.0%	8,907	25.8%
\$125,001 to 150,000	16,203	11,271	69.6%	743	4.6%	4,417	27.3%
\$150,001 to 175,000	8,544	5,749	67.3%	351	4.1%	2,564	30.0%
\$175,001 to 200,000	4,850	3,137	64.7%	197	4.1%	1,587	32.7%
\$200,001 to 250,000	5,123	3,126	61.0%	173	3.4%	1,900	37.1%
\$250,001 or more	9,380	4,620	49.3%	201	2.1%	4,644	49.5%
Total	450,861	282,598	62.7%	61,752	13.7%	114,190	25.3%

Report on Dependent Health Care Coverage

1. Introduction

In 2008, the Iowa General Assembly passed House File 2539 (HF2539) with the goal of extending health care coverage to all Iowans. The first step in reaching that goal was to extend coverage to all eligible children in the state through the existing **hawk-i** program and to expand **hawk-i** eligibility. One effort to extend health care coverage for children was a requirement that the Iowa Department of Revenue (IDR) track coverage through the individual income tax return.

IDR made changes to the Iowa individual income tax form allowing taxpayers to indicate the presence or absence of health care coverage for their dependent children. For those taxpayers reporting the absence of coverage for one or more dependents and meeting income guidelines, IDR sent a notice providing information about how to enroll those children in Medicaid or **hawk-i**. IDR was directed to work with the Department of Human Services (DHS) to carry out these requirements.

This report for the Governor and the General Assembly fulfills the final requirement established under HF 2359. The report provides information on:

- The number of Iowa families, by income level, claiming the State income tax exemption for dependent children;
- The number of Iowa families, by income level, claiming the State income tax exemption for dependent children who also indicate the presence or absence of health care coverage for the dependent children;
- The effect of the reporting requirements and provision of information requirements on the number and percentage of children in the state who are uninsured.

2. Agencies Working Together

During the summer and fall of 2008, IDR and DHS worked together to fulfill the requirements of HF 2539. The agencies established a Memorandum of Agreement (MOA) which spelled out the steps each agency was to take toward meeting the requirements of the legislation. For DHS the major steps included:

- Adapting the **hawk-i** application brochure to clearly show which applications were sent by IDR;
- Providing IDR **hawk-i** application brochures;
- Working closely with IDR to prepare the legislative report, including sharing statistics on the number of uninsured children in the state, application return information, and other pertinent facts.

For IDR the major steps included:

- Adding a question to the Iowa 1040 tax forms asking about the taxpayers' dependent children's health care coverage status;
- Working with DHS to create a cover letter to be sent on IDR letterhead along with the **hawk-i** application brochure. That letter states why the taxpayer is receiving the information and asks that questions be directed to DHS;
- Sending each Iowa family meeting the **hawk-i** income requirements who indicated the lack of health care coverage for any dependent children, the cover letter and a **hawk-i** application brochure;
- As 2008 tax returns were filed, collecting the number of Iowa families, by income level, claiming the State income tax exemption for dependent children and the number of families, by

income level, indicating the presence or absence of health care coverage for those dependent children;

- Writing the legislative report jointly with DHS, presenting the data collected through the 2008 tax returns and application return information.

3. HF 2359 Implementation

The 2008 individual income tax form was modified to include two questions regarding the presence or absence of health care coverage for dependents (see Appendix). The 2008 individual income tax form expanded instructions defined “health care coverage” as “either private (non-government) coverage or government-sponsored coverage.” This is the U.S. Census Bureau definition and was adopted after consultation with DHS. In addition, IDR adopted rule 701 IAC 38.19 which provides further clarification regarding the requirements set forth in HF 2539.

IDR originally planned to send letters to taxpayers whom indicated absence of coverage for dependents and whose gross income fell below the **hawk-i** eligibility limit applicable for the taxpayers’ family size, measured as the number of taxpayers plus total dependents. DHS raised a concern that family size, as determined using tax return information, could differ from how family size is defined by DHS for the purpose of determining income eligibility under **hawk-i**. If DHS includes individuals not included on the tax form as part of the family, then, based on the tax return, a household with income near the upper limit of eligibility for their DHS-defined family size could have been designated by IDR as above the income limit. Therefore, IDR decided to set the income limit for letter receipt equal to the highest eligible income level for the largest family size. In 2008, a family with eight members (including parents, spouses, and children under age 19 living together) reporting income of less than \$89,000 would be eligible for **hawk-i** coverage. Therefore, all families that indicated a lack of health care coverage for one or more dependents with gross income less than \$89,000 received a letter.

The letter sent to taxpayers indicated that it was mailed in response to information provided on the 2008 tax return and suggested the recipients complete the enclosed application for **hawk-i** and submit it to DHS (see Appendix). The letter directed the taxpayer to contact DHS with any questions regarding their eligibility.

During the 2008 tax year filing season, IDR mailed 57,212 letters to taxpayers. These letters were mailed in five separate batches between February and May and one final mailing in August to capture late returns (see Table 1). Only 172 letters (0.3%) were returned as undeliverable.

In the first three mailings, taxpayers providing an out-of-state address were included, totaling 3,851 letters. After those mailings, it was determined that dependents in out-of-state households, even if the family was in the military, would not be eligible for **hawk-i**. Therefore, all out-of-state addresses were eliminated from the remaining three mailings.

If a taxpayer indicated both the presence and the absence of health care coverage for dependents, and met the income requirements, IDR sent that taxpayer a letter. It is possible taxpayers do have a mixture of health care coverage, or that they incorrectly answered both questions in the affirmative in order to complete the return. Because it is not possible for IDR to determine the correct coverage information, IDR erred on the side of sending a letter to a family with health care coverage. An estimated 6,000 letters were sent to households reporting both presence and absence of health care coverage for dependents.

It is likely that IDR also mailed extraneous letters through the application of the broad income limit, as noted above. If the income limit for letter receipt was allowed to differ by family size as reported on

the tax return, instead of using the uppermost income limit for the largest family size for every family, it is estimated that 11,000 fewer letters would have been mailed.

4. Analysis of 2008 Tax Year Data

Iowa Families Claiming Dependent Children

As of November 24, 2009, 1.3 million individual income tax returns had been filed by resident taxpayers for tax year 2008. Of those, 450,861 Iowa families claimed the State income tax exemption for a dependent (see Table 2). Although families across the income distribution claimed dependents, 77.6 percent reported gross income of less than \$90,000 in 2008.

Iowa Families Reporting Presence or Absence of Health Care Coverage

Seventy-five percent of families provided information on their tax returns regarding the health insurance coverage of their dependents (see Table 3). A total of 282,598 families reported the presence of health care coverage for one or more dependents while 61,752 families reported the absence of health care coverage for one or more dependents, with some of those families reporting both the presence and absence of coverage on their tax returns. Reported coverage rates peaked for families with gross income between \$100,001 and \$125,000 at 70.5 percent. The lowest coverage rate was reported for families with \$250,000 or more in income at 49.3 percent; however, that low rate reflects high non-participation rather than absence of coverage. Families with low income were more likely to report absence of coverage, with 27.5 percent of families with income below \$20,000 reporting absence of coverage compared to 10.5 percent of families with incomes between \$50,001 and \$60,000. Non-response rates increased with income; 21.6 percent of families with income below \$20,000 did not answer the health care coverage questions compared to 25.3 percent for families with income between \$50,001 and \$60,000, and 49.5 percent for families with \$250,000 or more in income.

Response Rates by Filing Method

In Iowa, taxpayers, or their paid preparers, can file a paper income tax return that is mailed to IDR or they can complete the tax return electronically and file it via the internet. Reported rates of coverage differed significantly between these two filing methods. For paper filers, 63.7 percent reported the presence of coverage, 7.0 percent reported absence of coverage, and 31.2 percent did not complete the questions. For electronic filers, 62.5 percent reported presence of coverage, 15.0 percent reported absence of coverage, and 24.2 percent did not respond.

Response Rates by Self-Prepared versus Paid Preparers

It appears that the high rates of reporting absence of coverage are isolated among those electronic filers who used a paid preparer (see Table 4). Only 9.7 percent of electronic filers who self-prepared their return report absence of health care coverage for dependents compared to 16.6 percent of electronic filers who used a paid preparer. Returns filed by paid preparers also have a high rate of non-response, 28.8 percent. These results may reflect the greater likelihood that the preparer failed to gather the necessary information from the taxpayer. Another possibility is that paid preparers were more likely to believe health care coverage only included private health care insurance, not public health coverage, such as Medicaid and *hawk-i*, thus overstating the share of families lacking health care coverage in Iowa.

Electronic filers who self-prepared their returns had the highest response rates to the questions about dependent health care coverage with 91.2 percent reporting either the presence or absence of coverage. It is possible that the tax software programs increased taxpayer awareness about these questions relative to those who filed a paper tax return. Also, because the information is being

provided by the taxpayer, as opposed to a preparer, it is more likely to be correct. Unfortunately, information on whether a paper filer used a paid preparer is not readily available.

Of electronic filers who self-prepared, 84.7 percent of families reported presence of coverage and 9.7 percent reported absence of coverage. Three percent of these families reported both presence and absence of coverage, as opposed to two percent of paper filers. If the taxpayers do have a mixture of health care coverage, then the rates presented in the tables are correct. However, if taxpayers incorrectly answered both questions in the affirmative, either presence or absence coverage rates are overstated.

Health Care Coverage by Federal Poverty Level

The counts of families are also presented by the ratio of their reported gross income to the federal poverty level in 2008 (see Table 5). Medicaid coverage is available for children in families with income up to 133 percent of the federal poverty level. Despite the availability of public insurance, 21.0 percent of families in this income range reported the absence of coverage for one or more dependents. As income rises relative to the federal poverty level, presence of coverage rises while absence of coverage falls, except for the highest income group which has the highest rate of non-response. In fiscal year 2010, the General Assembly expanded **hawk-i** eligibility to families up to 300 percent of the federal poverty level.

5. Effect of Requirements on Uninsured Children

As noted in the introduction, the purpose behind HF 2539 was to increase health care coverage among Iowa's children. Families USA reported in November 2008 that 38,000 children in Iowa, 5.2 percent, were uninsured, based on data collected in 2005 through 2007 by the U.S. Census Bureau.¹ The data, collected as part of the annual Current Population Survey, suggests that 68 percent of children in Iowa had private coverage and 26.8 percent had public coverage.

DHS attempted to track the number of new children receiving health care coverage from the State in response to the efforts made with IDR. Because of some glitches in the printing process, the application brochures provided by DHS for the mailings had two different means of identifying whether **hawk-i** applications were sent by IDR. Initially, DHS placed a distinguishing sticker on each brochure that was mailed with the IDR cover letter. The first 29,100 letters included these brochures. The remaining 28,112 mailings included an application brochure where applicants were able to identify IDR using a check box for indicating how they learned about the program. The letter encouraged the taxpayers to complete the application and mail it to **hawk-i** or to apply on-line. The on-line application includes an opportunity for applicants to indicate how they heard about the program, but many fail to complete that section. During 2009, over 35 percent of **hawk-i** applications were submitted on-line.

As of December 8, DHS has received 475 applications for **hawk-i** that can be attributed to the IDR mailing (see Table 6). Of these:

- 140 applications were approved for **hawk-i**,
- 151 were approved for Medicaid (including those already on Medicaid),
- 1 is pending for **hawk-i**,
- 40 are pending for Medicaid, and
- 143 were denied.

Over half were denied coverage because they failed to provide information missing on their initial application or were non-compliant with Medicaid (likely failing to provide adequate proof of income).

¹ "Left Behind: Iowa's Uninsured Children," Families USA, Washington, D.C., November 2008, accessed at <http://www.familiesusa.org/assets/pdfs/uninsured-kids-2008/iowa.pdf>, on November 4, 2009.

An additional 20 percent were denied because their reported income exceeded eligibility limits while six applications were denied because it was determined the children had other health insurance coverage. Some of the applicants who were denied consideration based on income were notified after July 1 that they might now be eligible given the expansion of eligibility and were encouraged to reapply.

Through the approved applications, health care coverage was extended to 471 children:

- 239 children were added to the rolls of *hawk-i*, and
- 232 children were approved for Medicaid.

It is possible some of the children approved for Medicaid were already covered under that program at the time they filed the application for *hawk-i*. Assuming all these children were previously uninsured, adding them to the public health insurance rolls lowered Iowa's estimated rate of uninsured children by 0.1 percent to 5.1 percent.

6. Estimated Costs

These efforts to expand health care coverage in Iowa used State resources. The cost to IDR and DHS to mail the letters and applications to taxpayers was \$39,170 (see Table 7). The postage cost was shared 60%/40% between IDR and DHS.

An additional cost of the program was the administrative time required by IDR and DHS staff. Administrative costs for IDR include staff time to make decisions about changes to the tax forms and administration of the program, to capture data from the tax returns, to write programs for identifying the taxpayers eligible for the mailings, to work out details with the outside vendor regarding the mailings, and to analyze the responses on the tax returns and compile this report. Administrative costs for DHS include staff time to consult with IDR on the best practice for implementation of this program, to mark the first 29,100 applications for identification as part of this outreach effort, and to compile data regarding taxpayer response to the letter from IDR.

DHS reports that, excluding the cost and enrollment numbers for the tax return project, their outreach cost per new enrollee for FY 2009 was \$51.17 per person. The cost per new enrollee for the tax return project to-date is \$83.16, including only the hard costs enumerated in Table 7. The per enrollee cost would be much higher if the soft costs of IDR and DHS staff time were included.

7. Changes Coming Due to SF 389 and Preparations for Tax Year 2009

In 2009, the Iowa General Assembly amended HF 2359 by passing Senate File 389 (SF 389). That legislation changed the tracking of dependent health care through the income tax return from a voluntary effort to a mandate upon taxpayers, beginning with the 2010 tax year. Taxpayers will be required to complete the questions regarding health care coverage for dependents, and those who receive letters from IDR regarding their potential eligibility for *hawk-i* will be required to submit an application to DHS within 90 days. For 2008 returns, 114,190 taxpayers with dependents failed to respond to the questions, 8.6 percent of all returns filed. Of the 57,212 letters mailed by IDR, only 475 taxpayers were identified as submitting applications to DHS.

During the fall of 2009, IDR and DHS reevaluated some of the decisions made in the prior year with hopes of improving taxpayer response and better targeting the letters. To address the concern that taxpayers were not clear whether public health care constituted health care coverage, the words "including *hawk-i* or Medicaid" were added to the individual income tax paper and on-line instructions as well as the tax year 2009 individual income tax form, the IA 1040 (see Appendix).

Out of concern that taxpayers who submit an application for ***hawk-i*** after receiving the letter and brochure from IDR might fail to identify that they learned about the program through contact from IDR, DHS is ordering a special printing of application brochures for the 2009 tax year. These uniquely marked brochures will only be distributed with the IDR letter; therefore, any application that is subsequently received by DHS will easily be identified as part of the tax return project.

To address the starkly different response patterns on returns filed by paid preparers as compared to self-prepared returns, it is being emphasized to tax preparers at IDR instructional sessions that they should make every effort to collect and provide the information on the 2009 tax returns. The fact that Medicaid and ***hawk-i*** are considered health care coverage is also being emphasized in meetings with tax professionals.

In light of the FY 2010 expansion of the income eligibility limits for ***hawk-i*** and the requirement that taxpayers return the application beginning with the 2010 filing season, IDR decided to specify different income limits based on family size for the tax year 2009 mailings.

Table 1: IDR Mailings Under HF 2539

Mailing Date	Mailed Letters	Returned Letters
16-Feb	8,525	28
2-Mar	16,803	48
24-Apr	15,946	57
1-May	9,177	29
15-May	2,034	6
17-Aug	4,727	4
	57,212	172

Table 2: Iowa Taxpayers with a Dependent Exemption Claim, Tax Year 2008

<i>Resident Filers</i>		
Gross Income	Count	Distribution
Less than \$20,000	77,200	17.1%
\$20,001 to 30,000	51,625	11.5%
\$30,001 to 40,000	45,296	10.0%
\$40,001 to 50,000	39,957	8.9%
\$50,001 to 60,000	38,733	8.6%
\$60,001 to 70,000	36,835	8.2%
\$70,001 to 80,000	32,590	7.2%
\$80,001 to 90,000	27,824	6.2%
\$90,001 to 100,000	22,151	4.9%
\$100,001 to 125,000	34,550	7.7%
\$125,001 to 150,000	16,203	3.6%
\$150,001 to 175,000	8,544	1.9%
\$175,001 to 200,000	4,850	1.1%
\$200,001 to 250,000	5,123	1.1%
\$250,001 or more	9,380	2.1%
Total	450,861	100.0%

Analysis Using N220 Data from Tax Year 2008**Tax Research and Policy Analysis Section, Iowa Department of Revenue**

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. Returns through final review as of November 24, 2009 where all amended returns and those filed by non-residents are ignored.

Table 3: Dependent Health Care Coverage Reporting on Iowa Returns through Final Review, Tax Year 2008

<i>Resident Filers</i>							
Gross Income	Total Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	77,200	40,985	53.1%	21,235	27.5%	16,645	21.6%
\$20,001 to 30,000	51,625	29,024	56.2%	11,604	22.5%	12,147	23.5%
\$30,001 to 40,000	45,296	27,229	60.1%	7,669	16.9%	11,323	25.0%
\$40,001 to 50,000	39,957	25,485	63.8%	5,219	13.1%	9,992	25.0%
\$50,001 to 60,000	38,733	25,479	65.8%	4,058	10.5%	9,792	25.3%
\$60,001 to 70,000	36,835	24,851	67.5%	3,141	8.5%	9,305	25.3%
\$70,001 to 80,000	32,590	22,366	68.6%	2,350	7.2%	8,287	25.4%
\$80,001 to 90,000	27,824	19,473	70.0%	1,788	6.4%	6,961	25.0%
\$90,001 to 100,000	22,151	15,444	69.7%	1,280	5.8%	5,719	25.8%
\$100,001 to 125,000	34,550	24,359	70.5%	1,743	5.0%	8,907	25.8%
\$125,001 to 150,000	16,203	11,271	69.6%	743	4.6%	4,417	27.3%
\$150,001 to 175,000	8,544	5,749	67.3%	351	4.1%	2,564	30.0%
\$175,001 to 200,000	4,850	3,137	64.7%	197	4.1%	1,587	32.7%
\$200,001 to 250,000	5,123	3,126	61.0%	173	3.4%	1,900	37.1%
\$250,001 or more	9,380	4,620	49.3%	201	2.1%	4,644	49.5%
Total	450,861	282,598	62.7%	61,752	13.7%	114,190	25.3%

<i>Paper Filers</i>							
Gross Income	Total Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	9,044	4,213	46.6%	1,283	14.2%	3,718	41.1%
\$20,001 to 30,000	6,755	3,462	51.3%	831	12.3%	2,626	38.9%
\$30,001 to 40,000	7,018	4,027	57.4%	693	9.9%	2,473	35.2%
\$40,001 to 50,000	6,492	4,192	64.6%	468	7.2%	1,976	30.4%
\$50,001 to 60,000	6,438	4,376	68.0%	368	5.7%	1,809	28.1%
\$60,001 to 70,000	6,351	4,557	71.8%	289	4.6%	1,618	25.5%
\$70,001 to 80,000	5,467	3,952	72.3%	245	4.5%	1,370	25.1%
\$80,001 to 90,000	4,755	3,537	74.4%	197	4.1%	1,126	23.7%
\$90,001 to 100,000	3,839	2,825	73.6%	157	4.1%	930	24.2%
\$100,001 to 125,000	6,516	4,811	73.8%	239	3.7%	1,581	24.3%
\$125,001 to 150,000	3,290	2,356	71.6%	108	3.3%	875	26.6%
\$150,001 to 175,000	1,867	1,308	70.1%	63	3.4%	523	28.0%
\$175,001 to 200,000	1,148	762	66.4%	31	2.7%	369	32.1%
\$200,001 to 250,000	1,177	735	62.4%	38	3.2%	426	36.2%
\$250,001 or more	2,796	1,386	49.6%	67	2.4%	1,377	49.2%
Total	72,953	46,499	63.7%	5,077	7.0%	22,797	31.2%
	16.2%						

<i>Electronic Filers</i>							
Gross Income	Total Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	68,156	36,772	54.0%	19,952	29.3%	12,927	19.0%
\$20,001 to 30,000	44,870	25,562	57.0%	10,773	24.0%	9,521	21.2%
\$30,001 to 40,000	38,278	23,202	60.6%	6,976	18.2%	8,850	23.1%
\$40,001 to 50,000	33,465	21,293	63.6%	4,751	14.2%	8,016	24.0%
\$50,001 to 60,000	32,295	21,103	65.3%	3,690	11.4%	7,983	24.7%
\$60,001 to 70,000	30,484	20,294	66.6%	2,852	9.4%	7,687	25.2%
\$70,001 to 80,000	27,123	18,414	67.9%	2,105	7.8%	6,917	25.5%
\$80,001 to 90,000	23,069	15,936	69.1%	1,591	6.9%	5,835	25.3%
\$90,001 to 100,000	18,312	12,619	68.9%	1,123	6.1%	4,789	26.2%
\$100,001 to 125,000	28,034	19,548	69.7%	1,504	5.4%	7,326	26.1%
\$125,001 to 150,000	12,913	8,915	69.0%	635	4.9%	3,542	27.4%
\$150,001 to 175,000	6,677	4,441	66.5%	288	4.3%	2,041	30.6%
\$175,001 to 200,000	3,702	2,375	64.2%	166	4.5%	1,218	32.9%
\$200,001 to 250,000	3,946	2,391	60.6%	135	3.4%	1,474	37.4%
\$250,001 or more	6,584	3,234	49.1%	134	2.0%	3,267	49.6%
Total	377,908	236,099	62.5%	56,675	15.0%	91,393	24.2%
	83.8%						

Analysis Using N220 Data from Tax Year 2008

Tax Research and Policy Analysis Section, Iowa Department of Revenue

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. Because a family could report both dependents with and without coverage, the total of families reporting presence of coverage, families reporting absence of coverage, and families not participating exceeds the count of all families. Returns through final review as of November 24, 2009 where all amended returns and those filed by non-residents are ignored.

Table 4: Dependent Health Care Coverage Reporting by Filing Method and Income, Tax Year 2008

<i>Paper Filers</i>							
Gross Income	Total Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	9,044	4,213	46.6%	1,283	14.2%	3,718	41.1%
\$20,001 to 30,000	6,755	3,462	51.3%	831	12.3%	2,626	38.9%
\$30,001 to 40,000	7,018	4,027	57.4%	693	9.9%	2,473	35.2%
\$40,001 to 50,000	6,492	4,192	64.6%	468	7.2%	1,976	30.4%
\$50,001 to 60,000	6,438	4,376	68.0%	368	5.7%	1,809	28.1%
\$60,001 to 70,000	6,351	4,557	71.8%	289	4.6%	1,618	25.5%
\$70,001 to 80,000	5,467	3,952	72.3%	245	4.5%	1,370	25.1%
\$80,001 to 90,000	4,755	3,537	74.4%	197	4.1%	1,126	23.7%
\$90,001 to 100,000	3,839	2,825	73.6%	157	4.1%	930	24.2%
\$100,001 to 125,000	6,516	4,811	73.8%	239	3.7%	1,581	24.3%
\$125,001 to 150,000	3,290	2,356	71.6%	108	3.3%	875	26.6%
\$150,001 to 175,000	1,867	1,308	70.1%	63	3.4%	523	28.0%
\$175,001 to 200,000	1,148	762	66.4%	31	2.7%	369	32.1%
\$200,001 to 250,000	1,177	735	62.4%	38	3.2%	426	36.2%
\$250,001 or more	2,796	1,386	49.6%	67	2.4%	1,377	49.2%
Total	72,953	46,499	63.7%	5,077	7.0%	22,797	31.2%

<i>Electronic Filers Self-Prepared</i>							
Gross Income	Total Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	13,625	9,252	67.9%	2,868	21.0%	2,118	15.5%
\$20,001 to 30,000	9,813	7,297	74.4%	1,668	17.0%	1,257	12.8%
\$30,001 to 40,000	8,239	6,596	80.1%	1,042	12.6%	908	11.0%
\$40,001 to 50,000	7,220	6,092	84.4%	679	9.4%	657	9.1%
\$50,001 to 60,000	6,887	6,126	89.0%	475	6.9%	489	7.1%
\$60,001 to 70,000	6,759	6,103	90.3%	349	5.2%	456	6.7%
\$70,001 to 80,000	6,616	6,094	92.1%	282	4.3%	398	6.0%
\$80,001 to 90,000	5,967	5,581	93.5%	231	3.9%	297	5.0%
\$90,001 to 100,000	5,012	4,686	93.5%	181	3.6%	271	5.4%
\$100,001 to 125,000	8,431	7,932	94.1%	310	3.7%	411	4.9%
\$125,001 to 150,000	4,096	3,838	93.7%	165	4.0%	214	5.2%
\$150,001 to 175,000	1,969	1,843	93.6%	83	4.2%	108	5.5%
\$175,001 to 200,000	977	924	94.6%	42	4.3%	48	4.9%
\$200,001 to 250,000	896	847	94.5%	49	5.5%	40	4.5%
\$250,001 or more	843	789	93.6%	37	4.4%	49	5.8%
Total	87,350	74,000	84.7%	8,461	9.7%	7,721	8.8%

<i>Electronic Filers Paid Preparer</i>							
Gross Income	Total Families with Dependents	Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Count	Share of Total	Count	Share of Total	Count	Share of Total
Less than \$20,000	54,531	27,520	50.5%	17,084	31.3%	10,809	19.8%
\$20,001 to 30,000	35,057	18,265	52.1%	9,105	26.0%	8,264	23.6%
\$30,001 to 40,000	30,039	16,606	55.3%	5,934	19.8%	7,942	26.4%
\$40,001 to 50,000	26,245	15,201	57.9%	4,072	15.5%	7,359	28.0%
\$50,001 to 60,000	25,408	14,977	58.9%	3,215	12.7%	7,494	29.5%
\$60,001 to 70,000	23,725	14,191	59.8%	2,503	10.6%	7,231	30.5%
\$70,001 to 80,000	20,507	12,320	60.1%	1,823	8.9%	6,519	31.8%
\$80,001 to 90,000	17,102	10,355	60.5%	1,360	8.0%	5,538	32.4%
\$90,001 to 100,000	13,300	7,933	59.6%	942	7.1%	4,518	34.0%
\$100,001 to 125,000	19,603	11,616	59.3%	1,194	6.1%	6,915	35.3%
\$125,001 to 150,000	8,817	5,077	57.6%	470	5.3%	3,328	37.7%
\$150,001 to 175,000	4,708	2,598	55.2%	205	4.4%	1,933	41.1%
\$175,001 to 200,000	2,725	1,451	53.2%	124	4.6%	1,170	42.9%
\$200,001 to 250,000	3,050	1,544	50.6%	86	2.8%	1,434	47.0%
\$250,001 or more	5,741	2,445	42.6%	97	1.7%	3,218	56.1%
Total	290,558	162,099	55.8%	48,214	16.6%	83,672	28.8%

Analysis Using N220 Data from Tax Year 2008

Tax Research and Policy Analysis Section, Iowa Department of Revenue

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. Because a family could report both dependents with and without coverage, the total of families reporting presence of coverage, families reporting absence of coverage, and families not participating exceeds the count of all families. Returns through final review as of November 24, 2009 where all amended returns and those filed by non-residents are ignored.

Table 5: Dependent Health Care Coverage Reporting on Iowa Returns through Final Review by Federal Poverty Level, Tax Year 2008

<i>Resident Filers</i>								
Gross Income	Total Families with Dependents		Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Distribution	Count	Share of Families	Count	Share of Families	Count	Share of Families
Less than 133% FPL	220,375	48.9%	127,619	57.9%	46,200	21.0%	51,326	23.3%
133-200% FPL	102,882	22.8%	69,147	67.2%	8,867	8.6%	26,166	25.4%
200-300% FPL	78,974	17.5%	54,961	69.6%	4,677	5.9%	20,319	25.7%
300+% FPL	48,630	10.8%	30,871	63.5%	2,008	4.1%	16,379	33.7%
Total	450,861	100.0%	282,598	62.7%	61,752	13.7%	114,190	25.3%
<i>Paper Filers</i>								
Gross Income	Total Families with Dependents		Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Distribution	Count	Share of Families	Count	Share of Families	Count	Share of Families
Less than 133% FPL	30,434	41.7%	16,864	55.4%	3,374	11.1%	10,922	35.9%
133-200% FPL	17,097	23.4%	12,094	70.7%	788	4.6%	4,505	26.3%
200-300% FPL	14,182	19.4%	10,355	73.0%	565	4.0%	3,507	24.7%
300+% FPL	11,240	15.4%	7,186	63.9%	350	3.1%	3,863	34.4%
Subtotal	72,953	100.0%	46,499	63.7%	5,077	7.0%	22,797	31.2%
Share of Total	16.2%							
<i>Electronic Filers Self-Prepared</i>								
Gross Income	Total Families with Dependents		Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Distribution	Count	Share of Families	Count	Share of Families	Count	Share of Families
Less than 133% FPL	39,355	45.1%	30,015	76.3%	6,162	15.7%	4,757	12.1%
133-200% FPL	20,318	23.3%	18,292	90.0%	1,139	5.6%	1,371	6.7%
200-300% FPL	18,185	20.8%	16,846	92.6%	713	3.9%	1,074	5.9%
300+% FPL	9,492	10.9%	8,847	93.2%	447	4.7%	519	5.5%
Subtotal	87,350	100.0%	74,000	84.7%	8,461	9.7%	7,721	8.8%
Share of Total	19.4%							
<i>Paid Preparer</i>								
Gross Income	Total Families with Dependents		Families Reporting Presence of Coverage		Families Reporting Absence of Coverage		Families Not Responding	
	Count	Distribution	Count	Share of Families	Count	Share of Families	Count	Share of Families
Less than 133% FPL	150,588	51.8%	80,742	53.6%	36,665	24.3%	35,647	23.7%
133-200% FPL	65,466	22.5%	38,760	59.2%	6,939	10.6%	20,290	31.0%
200-300% FPL	46,606	16.0%	27,759	59.6%	3,399	7.3%	15,738	33.8%
300+% FPL	27,898	9.6%	14,838	53.2%	1,211	4.3%	11,997	43.0%
Subtotal	290,558	100.0%	162,099	55.8%	48,214	16.6%	83,672	28.8%
Share of Total	64.4%							

Analysis Using N220 Data from Tax Year 2008

Tax Research and Policy Analysis Section, Iowa Department of Revenue

Notes: Families are grouped based on gross income, reported on line 15 of the Iowa 1040. Because a family could report both dependents with and without coverage, the total of families reporting presence of coverage, families reporting absence of coverage, and families not participating exceeds the count of all families. Returns through final review as of November 24, 2009 where all amended returns and those filed by non-residents are ignored.

Table 6: Taxpayer Response to Receipt of *hawk-i* Application, Tax Year 2008

		Percent of Mailed Letters	Percent of Delivered Letters	Percent of Submitted Applications	Percent of Denied Applications	Comments
Letters Mailed to Taxpayers	57,212					
Letters to out-of-state	3,851	6.73%				
Letters to likely income ineligible	11,654	20.37%				
Letters Undeliverable	172	0.30%				
Total Letters Delivered	57,040					
Applications Submitted	475		0.83%			
Applications approved for <i>hawk-i</i>	140		0.25%	29.47%		Total: 239 children
Applications approved for Medicaid	151		0.26%	31.79%		Total: 232 children
Applications pending for <i>hawk-i</i>	1		0.00%	0.21%		
Applications pending for Medicaid	40		0.07%	8.42%		
Applications denied	143		0.25%	30.11%		
Reasons for Denial						
Income exceeded limits	28		0.05%	5.89%	19.58%	Letter mailed to ineligible family?
Missing information not received	42		0.07%	8.84%	29.37%	
Non-compliant with Medicaid	47		0.08%	9.89%	32.87%	
Immigration document invalid	7		0.01%	1.47%	4.90%	
Over age 19	7		0.01%	1.47%	4.90%	
Other health insurance	6		0.01%	1.26%	4.20%	Error in answering coverage question?
Home address not in Iowa	2		0.00%	0.42%	1.40%	Letter mailed to ineligible family?
Child did not live with applicant	4		0.01%	0.84%	2.80%	

Source: Letter counts were tracked by IDR; applications were tracked by an outside vendor for DHS where numbers are as of December 8. Applications attributed to IDR mailing based on presence of sticker (marker for first 29,100 letters) or indication by applicant using available check box (final 23,400 letters) for how the applicant heard about *hawk-i*. Applicants using the brochure where tracking was possible only through the check box or completing an on-line application may have failed to indicate IDR as their information source, and thus the application would not be included in these counts.

Table 7: HF 2539 Program Costs FY 2009

Component	Total Cost	Average Cost per Letter	Average Cost per Enrollee
Envelopes	\$3,447	\$0.06	\$7.32
Brochures	\$10,298	\$0.18	\$21.86
Handling	\$4,991	\$0.09	\$10.60
Postage	\$20,433	\$0.36	\$43.38
Total	\$39,170	\$0.68	\$83.16

Appendix to the Report on Dependent Health Care in Iowa

Includes:

Tax Year 2008 Iowa Individual Income Tax Form 1040

Sample cover letter

Tax Year 2009 Iowa Individual Income Tax Form 1040

2008 Iowa Individual Income Tax Long Form IA 1040

or fiscal year beginning ___/___/2008 and ending ___/___/___

STEP 1: Attach your booklet label below and enter your Social Security Number(s).

<input type="checkbox"/> Check this box if you or your spouse were 65 or older as of 12/31/08.	
Your Social Security Number - -	Spouse Social Security Number - -
Are your name, your spouse's name, if applicable, and your address the same as on last year's return? <input type="checkbox"/> YES <input type="checkbox"/> NO	Residence on 12/31/08 County No. • School/District No. •
Dependent children for whom an exemption is claimed How many have health care coverage? _____ • How many do not have health care coverage? _____ •	
4 Married filing separate returns. Spouse's name: _____ SSN: _____ Income: \$ _____	
5 Head of household with qualifying person. If qualifying person is not claimed as a dependent on this return, enter the person's name and Social Security Number below.	
6 Qualifying widow(er) with dependent child. Name: _____ SSN: _____	

STEP 2 Filing Status: Mark one box only.

1	Single: Were you claimed as a dependent on another person's Iowa return? <input type="checkbox"/> YES <input type="checkbox"/> NO ▲
2	Married filing a joint return. (Two-income families may benefit by using status 3 or 4)
3	Married filing separately on this combined return. Spouse use column B.
4	Married filing separate returns. Spouse's name: _____ SSN: _____ Income: \$ _____
5	Head of household with qualifying person. If qualifying person is not claimed as a dependent on this return, enter the person's name and Social Security Number below.
6	Qualifying widow(er) with dependent child. Name: _____ SSN: _____

STEP 3 Exemptions

YOU (and spouse if filing jointly)	a. Personal Credit: Enter 1 (Enter 2 if filing joint or head of household)▲	X \$ 40 = \$ _____
	b. Enter 1 for each person who is 65 or older and/or 1 for each person who is blind▲	X \$ 20 = \$ _____
	c. Dependents: Enter 1 for each dependent▲	X \$ 40 = \$ _____
	d. Enter first names of dependents here: _____	e. TOTAL \$ _____
SPOUSE (if filing status 3)	a. Personal Credit: Enter 1▲	X \$ 40 = \$ _____
	b. Enter 1 if 65 or older and/or 1 if blind▲	X \$ 20 = \$ _____
	c. Dependents: Enter 1 for each dependent▲	X \$ 40 = \$ _____
	d. Enter first names of dependents here: _____	e. TOTAL \$ _____

STEP 4

Figure your gross income

	B. Spouse/Status 3	A. You or Joint
1. Wages, salaries, tips, etc.	1. _____ .00	_____ .00
2. Taxable interest income. If more than \$1,500, complete Sch. B 2.	_____ .00	_____ .00
3. Ordinary dividend income. If more than \$1,500, complete Sch. B 3.	_____ .00	_____ .00
4. Alimony received	4. _____ .00	_____ .00
5. Business income/(loss) from Federal Schedule C or C-EZ 5.	_____ .00	_____ .00
6. Capital gain/(loss) from Federal Schedule D 6.	_____ .00	_____ .00
7. Other gains/(losses) from Federal form 4797 7.	_____ .00	_____ .00
8. Taxable IRA distributions	8. _____ .00	_____ .00
9. Taxable pensions and annuities	9. _____ .00	_____ .00
10. Rents, royalties, partnerships, estates, etc. 10.	_____ .00	_____ .00
11. Farm income/(loss) from Federal Schedule F 11.	_____ .00	_____ .00
12. Unemployment compensation 12.	_____ .00	_____ .00
13. Taxable Social Security benefits 13.	_____ .00	_____ .00
14. Other income, gambling income, bonus depreciation adjustment ... 14.	_____ .00	_____ .00
15. GROSS INCOME. ADD lines 1-14	15. _____ .00 ▲	_____ .00

STEP 5

Figure your adjustments to income

16. Payments to an IRA, KEOGH or SEP	16. _____ .00	_____ .00
17. One-half of self-employment tax	17. _____ .00	_____ .00
18. Health insurance deduction	18. _____ .00	_____ .00
19. Penalty on early withdrawal of savings	19. _____ .00	_____ .00
20. Alimony paid	20. _____ .00	_____ .00
21. Pension/retirement income exclusion	21. _____ .00 ▲	_____ .00
22. Moving expense deduction from Federal form 3903	22. _____ .00	_____ .00
23. Iowa capital gains deduction. 23.	_____ .00 ▲	_____ .00
24. Other adjustments	24. _____ .00	_____ .00
25. Total adjustments. ADD lines 16-24	25. _____ .00 ▲	_____ .00
26. NET INCOME. SUBTRACT line 25 from line 15	26. _____ .00 ▲	_____ .00

STEP 6

Figure your Federal tax addition and deduction

27. Federal income tax refund / overpayment received in 2008 27.	_____ .00 ▲	_____ .00
28. Self-employment/household employment taxes 28.	_____ .00 ▲	_____ .00
29. Addition for Federal taxes. ADD lines 27 and 28	29. _____ .00	_____ .00
30. Total. ADD lines 26 and 29	30. _____ .00	_____ .00
31. Federal tax withheld	31. _____ .00 ▲	_____ .00
32. Federal estimated tax payments made in 2008 32.	_____ .00 ▲	_____ .00
33. Additional Federal tax paid in 2008 for 2007 and prior years 33.	_____ .00 ▲	_____ .00
34. Deduction for Federal taxes. ADD lines 31, 32, and 33	34. _____ .00	_____ .00
35. BALANCE. SUBTRACT line 34 from line 30. Enter here and on line 36, side 2	35. _____ .00	_____ .00

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	B. Spouse/Status 3	A. You or Joint	B. Spouse/Status 3	A. You or Joint
STEP 7 36. BALANCE. From side 1, line 35.			36.00
37. Total itemized deductions from Federal Schedule A	37. ....	.00	.00	
Taxpayers with bonus depreciation must use Iowa Schedule A				
38. Iowa income tax if included in line 5 of Federal Schedule A	38. ....	.00	.00	
39. BALANCE. Subtract line 38 from line 37 or enter the amount of itemized deductions from the Iowa Schedule A	39. ....	.00	.00	
40. Other deductions.	40. ....	.00	.00	
41. Deduction. Check one box. <input type="checkbox"/> Itemized. Add lines 39 and 40. <input type="checkbox"/> Standard.	41. ....	.00	.00	
42. TAXABLE INCOME. SUBTRACT line 41 from line 36.	42. ....	.00	.00	

Complete lines 37-40
ONLY if you itemize.

STEP 8 43. Tax from tables or alternate tax	43. ....	.00	.00	
44. Iowa lump-sum tax. 25% of Federal tax from form 4972.	44. ....	.00	.00	
45. Iowa minimum tax. Attach IA 6251.	45. ....	.00	.00	
46. Total tax. ADD lines 43, 44 and 45.	46. ....	.00	.00	
47. Total exemption credit amount(s) from Step 3, side 1	47. ....	.00	.00	
48. Tuition and textbook credit for dependents K-12.	48. ....	.00	.00	
49. Total credits. ADD lines 47 and 48.	49. ....	.00	.00	
50. BALANCE. SUBTRACT line 49 from line 46. If less than zero, enter zero.	50. ....	.00	.00	
51. Credit for nonresident or part-year resident. Attach IA 126 and Federal return.	51. ....	.00	.00	
52. BALANCE. SUBTRACT line 51 from line 50. If less than or equal to zero, enter zero.	52. ....	.00	.00	
53. Other nonrefundable Iowa credits. Attach IA 148 Tax Credits Schedule.	53. ....	.00	.00	
54. BALANCE. SUBTRACT line 53 from line 52.	54. ....	.00	.00	
55. School district surtax/EMS surtax. (take percentage from table, multiply by line 54).	55. ....	.00	.00	
56. Total Tax. ADD lines 54 and 55.	56. ....	.00	.00	
57. Total tax before contributions. ADD Columns A & B on line 56 and enter here.	57. ....	.00	.00	
58. Contributions. Contributions will reduce your refund or add to the amount you owe. Amounts must be in whole dollars. Fish/Wildlife 58a: ▲ StateFair 58b: ▲ Firefighters/Veterans 58c: ▲ Child Abuse Prevention 58d: ▲ Enter total.	58. ....	.00	.00	
59. TOTAL TAX AND CONTRIBUTIONS. ADD lines 57 and 58.	59. ....	.00	.00	
60. Iowa income tax withheld.	60. ....	.00	.00	

STEP 9 61. Estimate and voucher payments made for tax year 2008	61. ....	.00	.00	
62. Out-of-state tax credit. Attach IA 130.	62. ....	.00	.00	
63. Motor fuel tax credit. Attach IA 4136.	63. ....	.00	.00	
64. Check One: <input type="checkbox"/> Child and dependent care credit OR <input type="checkbox"/> Early childhood development credit	64. ....	.00	.00	
65. Iowa earned income credit: 7.0% (.07) of Federal credit	65. ....	.00	.00	
66. Other refundable credits. Attach IA 148 Tax Credits Schedule.	66. ....	.00	.00	
67. TOTAL. ADD lines 60 - 66.	67. ....	.00	.00	
68. TOTAL CREDITS. ADD columns A and B on line 67 and enter here.	68. ....	.00	.00	

STEP 10 69. If line 68 is more than line 59, SUBTRACT line 59 from line 68. This is the amount you overpaid.	69. ▲	.00	.00	
70. Amount of line 69 to be REFUNDED	REFUND 70. ▲	.00	.00	
Mail return to Iowa Income Tax - Refund Processing, Hoover State Office Bldg, Des Moines IA 50319-0120				
71. Amount of line 69 to be applied to your 2009 estimated tax	71. ....	.00	.00	
72. If line 68 is less than line 59, SUBTRACT line 68 from line 59. This is the AMOUNT OF TAX YOU OWE.	72. ▲	.00	.00	
73. Penalty for underpayment of estimated tax. From IA 2210 or IA 2210F. <input type="checkbox"/> Check if annualized income method is used	73. ▲	.00	.00	
74. Penalty and interest. 74a. Penalty. 74b. Interest	74. ....	.00	.00	
75. TOTAL AMOUNT DUE. ADD lines 72, 73 and 74, and enter here.	PAY THIS AMOUNT 75. ▲	.00	.00	

ePay by credit card or direct debit. Go to www.state.ia.us/tax.
To pay by mail: Iowa Income Tax - Document Processing, PO Box 9187, Des Moines IA 50306-9187. Make check payable to Treasurer, State of Iowa

STEP 11 POLITICAL CHECKOFF. This checkoff does not increase the amount of tax you owe or decrease your refund.												
<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">SPOUSE</td> <td style="text-align: center;">▲</td> <td style="text-align: center;">YOURSELF</td> </tr> <tr> <td>\$1.50 to Republican Party <input type="checkbox"/></td> <td></td> <td>\$1.50 to Republican Party <input type="checkbox"/></td> </tr> <tr> <td>\$1.50 to Democratic Party <input type="checkbox"/></td> <td></td> <td>\$1.50 to Democratic Party <input type="checkbox"/></td> </tr> <tr> <td>\$1.50 to Campaign Fund <input type="checkbox"/></td> <td></td> <td>\$1.50 to Campaign Fund <input type="checkbox"/></td> </tr> </table>	SPOUSE	▲	YOURSELF	\$1.50 to Republican Party <input type="checkbox"/>		\$1.50 to Republican Party <input type="checkbox"/>	\$1.50 to Democratic Party <input type="checkbox"/>		\$1.50 to Democratic Party <input type="checkbox"/>	\$1.50 to Campaign Fund <input type="checkbox"/>		\$1.50 to Campaign Fund <input type="checkbox"/>
SPOUSE	▲	YOURSELF										
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STEP 12 NEXT YEAR, Would you like to receive a booklet? This option is not available to electronic filers.
0. <input type="checkbox"/> Yes
1. <input type="checkbox"/> No

STEP 13 COW-CALF REFUND Attach IA 132. Do NOT use these amounts to increase your overpayment (line 69) or reduce the amount you owe (line 72).
Spouse: \$00
You: \$00 ▲

STEP 14 PLEASE SIGN HERE	I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return, including all accompanying schedules and statements, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.		
SIGN HERE	Your Signature	Date	Preparer's Signature
SIGN HERE	Spouse's Signature	Date	Address
• Verify your Social Security Number(s) • Recheck your math • Attach all W-2s	Daytime Telephone Number	Daytime Telephone Number	Identification Number

This return is due April 30, 2009. Mailing Addresses: See lines 70 and 75 above.



Iowa Department of Revenue

DATE

TAXPAYER NAME
ADDRESS 1
ADDRESS 2

On your 2008 Iowa income tax return, you indicated you have one or more children who do not have health care coverage. Children without health care coverage may be eligible to receive health care coverage from the State of Iowa through the Medicaid program or the ***hawk-i*** (Healthy and Well Kids in Iowa) program.

Are my children eligible?

The Iowa Department of Human Services will make this determination.

What must I do?

Please review the enclosed brochure. If you believe one or more children are eligible for health care coverage under either the Medicaid or ***hawk-i*** program, complete the enclosed application and return it in the enclosed envelope or mail it to The Healthy and Well Kids in Iowa Program, PO Box 71336, Des Moines IA 50325-9958. You may also apply online at www.hawk-i.org.

What if I have questions?

If you have any questions, please contact ***hawk-i*** Customer Service at 1-800-257-8563.

Enclosures:

Brochure/Application
Return envelope

IA 1040 Iowa Individual Income Tax Long Form 2009

or fiscal year beginning ___/___/2009 and ending ___/___/___

STEP 1: Fill in all spaces. You MUST fill in your Social Security Number.

Your last name _____ Your first name/middle initial _____

Spouse's last name _____ Spouse's first name/middle initial _____

Current mailing address (number and street, apartment, lot, or suite number) or PO Box _____

City, State, ZIP _____

☐ Check this box if you or your spouse were 65 or older as of 12/31/09.

Your Social Security Number _____

Spouse Social Security Number _____

Are your name, your spouse's name, if applicable, and your address the same as on last year's return? ☐ YES ☐ NO

Residence on 12/31/09
County No. _____ School District No. _____

STEP 2 Filing Status: Mark one box only.

- 1 ☐ Single: Were you claimed as a dependent on another person's Iowa return? ☐ YES ☐ NO **▲**
- 2 ☐ Married filing a joint return. (Two-income families may benefit by using status 3 or 4)
- 3 ☐ Married filing separately on this combined return. Spouse use column B.
- 4 ☐ Married filing separate returns. Spouse's name: _____ SSN: _____ **▲** Income: \$ _____
- 5 ☐ Head of household with qualifying person. If qualifying person is not claimed as a dependent on this return, enter the person's name and Social Security Number below.
- 6 ☐ Qualifying widow(er) with dependent child. Name: _____ SSN: _____

Dependent children for whom an exemption is claimed in Step 3
How many have health care coverage? _____ **●**
(including Medicaid or *hawk-i*)
How many do not have health care coverage? _____ **●**

STEP 3 Exemptions

YOU
(and spouse if filing jointly)

a. **Personal Credit:** Enter 1 (Enter 2 if filing joint or head of household) _____ **▲** X \$ 40 = \$ _____
b. Enter 1 for each person who is **65 or older** and/or 1 for each person who is **blind** _____ **▲** X \$ 20 = \$ _____
c. **Dependents:** Enter 1 for each dependent _____ **▲** X \$ 40 = \$ _____
d. Enter first names of dependents here: _____ e. **TOTAL \$** _____

SPOUSE
(if filing status 3)

a. **Personal Credit:** Enter 1 _____ **▲** X \$ 40 = \$ _____
b. Enter 1 if **65 or older** and/or 1 if **blind** _____ **▲** X \$ 20 = \$ _____
c. **Dependents:** Enter 1 for each dependent _____ **▲** X \$ 40 = \$ _____
d. Enter first names of dependents here: _____ e. **TOTAL \$** _____

STEP 4

Figure your gross income

	B. Spouse/Status 3	A. You or Joint
1. Wages, salaries, tips, etc.	1. _____ .00	_____ .00
2. Taxable interest income. If more than \$1,500, complete Sch. B	2. _____ .00	_____ .00
3. Ordinary dividend income. If more than \$1,500, complete Sch. B	3. _____ .00	_____ .00
4. Alimony received	4. _____ .00	_____ .00
5. Business income/(loss) from federal Schedule C or C-EZ	5. _____ .00	_____ .00
6. Capital gain/(loss) from federal Sch. D if required for federal purposes .	6. _____ .00	_____ .00
7. Other gains/(losses) from federal form 4797	7. _____ .00	_____ .00
8. Taxable IRA distributions	8. _____ .00	_____ .00
9. Taxable pensions and annuities	9. _____ .00	_____ .00
10. Rents, royalties, partnerships, estates, etc.	10. _____ .00	_____ .00
11. Farm income/(loss) from federal Schedule F	11. _____ .00	_____ .00
12. Unemployment compensation. See instructions.	12. _____ .00	_____ .00
13. Taxable Social Security benefits	13. _____ .00 ▲	_____ .00
14. Other income, gambling income, bonus depreciation adjustment ...	14. _____ .00	_____ .00
15. GROSS INCOME. ADD lines 1-14	15. _____ .00 ▲	_____ .00

STEP 5

Figure your adjustments to income

	B. Spouse/Status 3	A. You or Joint
16. Payments to an IRA, Keogh, or SEP	16. _____ .00	_____ .00
17. One-half of self-employment tax	17. _____ .00	_____ .00
18. Health insurance deduction	18. _____ .00	_____ .00
19. Penalty on early withdrawal of savings	19. _____ .00	_____ .00
20. Alimony paid	20. _____ .00	_____ .00
21. Pension/retirement income exclusion	21. _____ .00 ▲	_____ .00
22. Moving expense deduction from federal form 3903	22. _____ .00	_____ .00
23. Iowa capital gain deduction.	23. _____ .00 ▲	_____ .00
24. Other adjustments	24. _____ .00	_____ .00
25. Total adjustments. ADD lines 16-24	25. _____ .00 ▲	_____ .00
26. NET INCOME. SUBTRACT line 25 from line 15	26. _____ .00 ▲	_____ .00

STEP 6

Figure your federal tax addition and deduction

	B. Spouse/Status 3	A. You or Joint
27. Federal income tax refund / overpayment received in 2009	27. _____ .00 ▲	_____ .00
28. Self-employment/household employment taxes	28. _____ .00 ▲	_____ .00
29. Addition for federal taxes. ADD lines 27 and 28	29. _____ .00	_____ .00
30. Total. ADD lines 26 and 29	30. _____ .00	_____ .00
31. Federal tax withheld	31. _____ .00 ▲	_____ .00
32. Federal estimated tax payments made in 2009	32. _____ .00 ▲	_____ .00
33. Additional federal tax paid in 2009 for 2008 and prior years	33. _____ .00 ▲	_____ .00
34. Deduction for federal taxes. ADD lines 31, 32, and 33	34. _____ .00	_____ .00
35. BALANCE. SUBTRACT line 34 from line 30. Enter here and on line 36, side 2	35. _____ .00	_____ .00

2009 IA 1040, page 2

	B. Spouse/Status 3	A. You or Joint	B. Spouse/Status 3	A. You or Joint
STEP 7 36. BALANCE. From side 1, line 35.			36. ....	.00 .00
37. Total itemized deductions from federal Schedule A	37. ....	.00 .00		
Taxpayers with bonus depreciation must use Iowa Schedule A				
38. Iowa income tax if included in line 5 of federal Schedule A	38. ....	.00 .00		
39. BALANCE. Subtract line 38 from line 37 or enter the	39. ....	.00 .00		
amount of itemized deductions from the Iowa Schedule A				
40. Other deductions.	40. ....	.00 .00		
41. Deduction. Check one box. <input type="checkbox"/> Itemized. Add lines 39 and 40. <input type="checkbox"/> Standard.	41. ....	.00 .00		
42. TAXABLE INCOME. SUBTRACT line 41 from line 36.	42. ....	.00 .00		

}

Complete lines 37-40
ONLY if you itemize.

STEP 8 43. Tax from tables or alternate tax	43. ....	.00 .00		
44. Iowa lump-sum tax. 25% of federal tax from form 4972.	44. ....	.00 .00		
45. Iowa minimum tax. Attach IA 6251.	45. ....	.00 .00		
46. Total tax. ADD lines 43, 44, and 45.	46. ....	.00 .00		
47. Total exemption credit amount(s) from Step 3, side 1	47. ....	.00 .00		
48. Tuition and textbook credit for dependents K-12.	48. ....	.00 .00		
49. Total credits. ADD lines 47 and 48.	49. ....	.00 .00		
50. BALANCE. SUBTRACT line 49 from line 46. If less than zero, enter zero.	50. ....	.00 .00		
51. Credit for nonresident or part-year resident. Attach IA 126 and federal return.	51. ....	.00 .00		
52. BALANCE. SUBTRACT line 51 from line 50. If less than or equal to zero, enter zero.	52. ....	.00 .00		
53. Other nonrefundable Iowa credits. Attach IA 148 Tax Credits Schedule.	53. ....	.00 .00		
54. BALANCE. SUBTRACT line 53 from line 52.	54. ....	.00 .00		
55. School district surtax/EMS surtax. Take percentage from table; multiply by line 54.	55. ....	.00 .00		
56. Total Tax. ADD lines 54 and 55.	56. ....	.00 .00		
57. Total tax before contributions. ADD columns A & B on line 56 and enter here.	57. ....	.00 .00		
58. Contributions. Contributions will reduce your refund or add to the amount you owe. Amounts must be in whole dollars.				
Fish/Wildlife 58a: ▲ _____ StateFair 58b: ▲ _____ Firefighters/Veterans 58c: ▲ _____ Child Abuse Prevention 58d: ▲ _____ Enter total.				
59. TOTAL TAX AND CONTRIBUTIONS. ADD lines 57 and 58.	59. ....	.00 .00		
60. Iowa income tax withheld.	60. ....	.00 .00		

STEP 9 61. Estimated and voucher payments made for tax year 2009	61. ....	.00 .00		
62. Out-of-state tax credit. Attach IA 130.	62. ....	.00 .00		
63. Motor fuel tax credit. Attach IA 4136.	63. ....	.00 .00		
64. Check One: <input type="checkbox"/> Child and dependent care credit OR				
<input type="checkbox"/> Early childhood development credit	64. ....	.00 .00		
65. Iowa earned income credit: 7.0% (.07) of federal credit	65. ....	.00 .00		
66. Other refundable credits. Attach IA 148 Tax Credits Schedule.	66. ....	.00 .00		
67. TOTAL. ADD lines 60 - 66.	67. ....	.00 .00		
68. TOTAL CREDITS. ADD columns A and B on line 67 and enter here.	68. ....	.00 .00		

STEP 10 69. If line 68 is more than line 59, SUBTRACT line 59 from line 68. This is the amount you overpaid.	69. ▲	.00 .00		
70. Amount of line 69 to be REFUNDED	REFUND 70. ▲	.00 .00		
Mail return to Iowa Income Tax - Refund Processing, Hoover State Office Bldg, Des Moines IA 50319-0120				
71. Amount of line 69 to be applied to your 2010 estimated tax	71. ....	.00 .00		
72. If line 68 is less than line 59, SUBTRACT line 68 from line 59. This is the AMOUNT OF TAX YOU OWE.	72. ▲	.00 .00		
73. Penalty for underpayment of estimated tax. From IA 2210 or IA 2210F. <input type="checkbox"/> Check if annualized income method is used	73. ▲	.00 .00		
74. Penalty and interest. 74a. Penalty. 74b. Interest	74. ....	.00 .00		
75. TOTAL AMOUNT DUE. ADD lines 72, 73, and 74, and enter here.	PAY THIS AMOUNT 75. ▲	.00 .00		
Electronically pay by credit card or direct debit. Go to www.state.ia.us/tax/				
To pay by mail: Iowa Income Tax - Document Processing, PO Box 9187, Des Moines IA 50306-9187. Make check payable to Treasurer, State of Iowa.				

STEP 11 POLITICAL CHECKOFF. This checkoff does not increase the amount of tax you owe or decrease your refund.	
SPOUSE ▲ YOURSELF	
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\$1.50 to Republican Party <input type="checkbox"/>	\$1.50 to Republican Party <input type="checkbox"/>
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STEP 12 NEXT YEAR,
Would you like to receive a booklet? This option is not available to electronic filers.
0. <input type="checkbox"/> Yes
1. <input type="checkbox"/> No

Mailing Addresses:
See lines 70 and 75 above.

Mailing envelopes are no longer provided by or available from the Department.

STEP 14 PLEASE	I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return, including all accompanying schedules and statements, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.		
SIGN HERE	Your Signature	Date	Preparer's Signature
SIGN HERE	Spouse's Signature	Date	Address
SIGN HERE	Daytime Telephone Number	Daytime Telephone Number	Identification Number

This return is due April 30, 2010.